

Corporate Trust Services  
209 S. LaSalle Street, #300  
Chicago IL 60604

***THIS TRANSMITTAL CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. PLEASE EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.***

**NOTICE OF THE SETTLEMENT OF ISSUES RELATING TO THE SWAP TRANSACTIONS  
WITH LEHMAN BROTHERS FINANCIAL PRODUCTS INC. OR LEHMAN BROTHERS  
SPECIAL FINANCING INC. TO THE HOLDERS OF SECURITIES ISSUED BY THE  
ENTITIES AND THE CUSIP NUMBERS LISTED IN EXHIBIT A**

Notice Date: November 17, 2010

Reference is made to those certain trust agreements for the trusts listed in Exhibit A (collectively referred to as the "*Trust Agreements*"). Any capitalized terms used herein and not otherwise expressly defined shall have the respective meanings assigned to such terms in the Trust Agreements or the Motion (as defined below), as appropriate.

Under the terms of the Trust Agreements, the Issuer entered into Cap Transactions or Cap Corridor Transactions for certain classes of securities with Lehman Brothers Financial Products Inc. ("*LBFP*") or Lehman Brothers Special Financing Inc. ("*LBSF*") as a counterparty documented by those certain ISDA Master Agreements, as supplemented by those certain Confirmations referenced in Exhibit A (the "*Swap Transactions*").

On September 15, 2008, Lehman Brothers Holdings Inc. ("*LBHI*") filed a voluntary petition seeking relief under Chapter 11 of 11 U.S.C. § 101 *et seq.* (the "*Bankruptcy Code*"), and thereafter on October 3, 2008 and October 5, 2008, LBSF and LBFP respectively filed voluntary petitions under the Bankruptcy Code. All three of these proceedings are pending in the United States Bankruptcy Court for the Southern District of New York.

In general the Swap Transactions are either interest rate caps or interest rate corridors for which the relevant Trust made an upfront payment to LBSF or LBFP in exchange for floating payments under the terms and conditions of the Swap Transactions. The Debtors have determined that the Swap Transactions are all "out-of-the money" to the Debtors and, if the One Month LIBOR rate increases dramatically, could possibly move further "out-of-the-money." Under the terms of the Swap Transactions the Debtors cannot and will not receive any further payments from the Trusts, but, rather can only owe amounts under such contracts to the Trusts. Accordingly, the Debtors have determined that it would be prudent to terminate the Swap Transactions and settle the amounts owed by LBSF and LBFP thereunder. The Trustee sent Notices to holders of the relevant classes of securities issued by the trusts listed in Exhibit A in August 2010 and/or October 2010 advising that the Debtors wished to settle those claims and seeking input from investors.



This is to advise you that the Trustee has resolved the damage claims of a proposed rejection with LBSF and LBFP. These damage claims were independently verified by a third party retained by the Trustee. The Settlement Amounts are set forth in the Motion attached as Exhibit B. These will be deemed allowed claims in the bankruptcy proceedings. The Motion seeking approval of the Settlement Amounts by the United States Bankruptcy Court for the Southern District of New York was filed by Debtors on November 15, 2010 (the "*Motion*"). The Motion seeks to bind holders of securities to the terms of these resolutions.

**PLEASE BE ADVISED THAT** objections, if any, to the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Southern District of New York, shall set forth the name of the objecting party, the basis for the objection and the specific grounds thereof, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)) by registered users of the Bankruptcy Court's case filing system and by all other parties in interest on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with two hard copies delivered directly to Chambers), and shall be served upon: (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004, Courtroom 601; (ii) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Loir Fife, Esq., and Robert Lemons, Esq., attorneys for the Debtor; (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Andy Velez-Rivera, Esq., Paul Schwartzberg, Esq., Brian Masumoto, Esq., Linda Riffkin, Esq., and Tracy Hope Davis, Esq.; (iv) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq., attorneys for the official committee of unsecured creditors appointed in these cases, (v) Quinn Emanuel Urquhart & Sullivan, LLP, 51 Madison Avenue, 22nd Floor, New York, New York 10010, Attn: Eric Winston, Esq. and Scott Shelley, Esq. and (vi) Chapman and Cutler LLP, 111 West Monroe Street, Chicago, IL 60603, Attn: James E. Spiotto, Esq., and Franklin H. Top, III, Esq., attorneys for U.S. Bank National Association, as Trustee so as to be so filed and received no later than **December 8, 2010 at 4:00 p.m. (prevailing Eastern Time) (the "Objection Deadline").**

A hearing on the Motion will be held before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, Courtroom 601, One Bowling Green, New York, New York 10004 (the "Bankruptcy Court"), on **December 15, 2010 at 10:00 a.m. (Prevailing Eastern Time) (the "Hearing").** Objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted or denied upon default.

**PLEASE TAKE FURTHER NOTICE** that if an objection to the Motion is not received by the Objection Deadline, the relief requested shall be deemed unopposed, and the Bankruptcy Court may enter an order granting the relief sought without a hearing.

Receipt of this notice should not be construed as evidence or acknowledgment of any requirement applicable to, or of any right or authority on the part of any recipient under the Trust Agreement to direct, the matters addressed herein, or of any obligations on the part of the Trustee with respect thereto, and the Trustee expressly reserves all rights in determining appropriate actions and requirements concerning these matters.

Prior to any distribution to holders, funds held under the relevant Transaction documents may be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to such Trustee. This includes, but is not limited to, compensation for time spent, and the fees and costs of counsel and other agents employed, to pursue remedies or other actions to protect the interests of the holders.

The Trustee reserves all rights under the relevant Transaction documents. Please be aware that the Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment, legal or tax advice. Each holder should seek investment and tax advice from an independent advisor based on such holder's particular circumstances.

U.S. Bank National Association,  
as Trustee



**Exhibit A**

	<u>Trust</u> (Trust ID)	<u>Derivative Contract</u>	<u>CUSIP</u>
1	Lehman XS Trust Mortgage Pass-Through Certificates, Series 2005-2 (111805LEHM)	Confirmation, dated November 29, 2005, between Trust and LBSF (incorporated 2000 ISDA Master Agreement)	86359DMN4 86359DMP9 86359DMQ7 86359DMU8 86359DMV6 86359DMW4 86359DMX2 86359DMY0 86359DMZ7 86359DMR5 86359DMS3 86359DMT1 86359DNA1 86359DNB9 86359DNC7 9ABSW8970 9ABSW8988 9ABSW8996 9ABSW9002 9ABSW9010 9ABSW9028 9ABSW9010 9ABSW9010 9ABSW9028
2	Lehman XS Trust Mortgage Pass Through Certificates, Series 2005-9N (121605LEHM)	Confirmation, dated December 30, 2005, between Trust and LBSF (incorporated 1992 ISDA Master Agreement)	525221GM3 525221GN1 525221GP6 525221GQ4 525221GR2 525221GS0 525221GT8 525221GU5 525221GV3 525221GW1 525221GX9 525221GY7 525221GZ4 LXS59NR LXS59NP LXS59NX
3	Lehman XS Trust Mortgage Pass Through Certificates, Series 2006-12N (072706LEHM)	Confirmation, dated July 31, 2006, between Trust and LBSF (incorporated 1992 ISDA Master Agreement)	525226AA4 525226AB2 525226AC0 525226AD8 525226AE6 525226AF3 525226AG1 525226AH9 525226AJ5 525226AK2 525226AL0 525226AM8 525226AN6 525226AP1 525226AQ9 525226AR7 525226AS5 525226AT3 525226AU0 525226AV8 525226AW6 525226AX4 525226AY2 U5252AAA6